



Public Service Commission
State of North Dakota

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Executive Secretary
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COMMISSIONERS

Leo M. Reinbold
President
Bruce Hagen
Susan E. Wefald

November 19, 1997

Universal Service Administrative Company
100 South Jefferson Rd.
Whippany, NJ 07981

RE: CC Docket Number 96-45, DA 97-1892

LIFELINE AND LINK UP PLANS

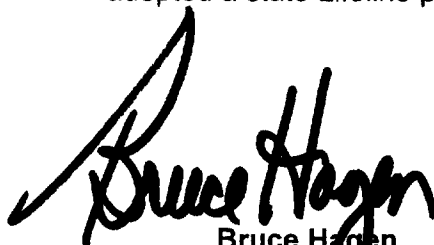
By order dated November 5, 1997, the North Dakota Public Service Commission adopted a Lifeline Plan and Link Up Plan for North Dakota local telecommunications carriers designated as eligible telecommunications carriers. The order is attached.

For any company that chooses to file a reduction of \$1.75 in the portion of intrastate local rates paid by the end-user, the Commission has by its order, pre-approved the reduction. Also, for any company that chooses to provide additional support for Lifeline service, the Commission has pre-approved a reduction in the portion of intrastate local rates paid by the end user at a ratio of \$1.50 for every \$1.00 of additional support provided by that company.

The Commission's order requires that each carrier asking to be designated as an eligible telecommunications carrier file the information with the Administrator demonstrating that the carrier's Lifeline plan meets the criteria of the state plan established by the Commission and stating the number of qualifying low-income consumers and the amount of state assistance.

Please provide written confirmation that the Public Service Commission has adequately adopted a state Lifeline plan and Link Up plan.

Sincerely,


Bruce Hagen
Commissioner


Leo M. Reinbold
President


Susan E. Wefald
Commissioner

PJF

Cc: Sheryl Todd, FCC Universal Service Branch
FCC Office of Secretary

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11/19/97

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Public Service Commission
Universal Service - FCC
PSC Comments/Letters**

Case No. PU-439-96-149

**ORDER ADOPTING
A LIFELINE PLAN AND A LINK UP PLAN FOR NORTH DAKOTA**

November 5, 1997

Appearances

Commissioners Bruce Hagen and Susan Wefald.

Patrick Fahn, Chief Engineer, Public Service Commission State Capitol, Bismarck, ND 58505, appearing for the Public Service Commission Staff.

Ronald Knutson, Assistant Director of the Low Income Home Energy Assistance Program, Department of Human Services, administrator of the present Lifeline program under its Telephone Assistance Program.

Jan Sebbby, Attorney at Law, Pringle and Herigstad PC, P. O. Box 1000, Minot, North Dakota 58702-1000, appearing for the Rural Telephone Company Group, a group of local telecommunications companies operating in North Dakota.

William Heaston, Senior Attorney at Law, U S WEST, Communications, Inc., 1801 California Street, Room 5100, Denver, CO 80202, appearing for U S WEST Communications, Inc.

Allen Hoberg, Office of Administrative Hearing, 1707 North 9th Street, Lower Level, Bismarck, ND 58501, appearing as Procedural Administrative Law Judge.

Preliminary Statement

1. On May 8, 1997, the Federal Communications Commission (FCC) issued its Universal Service Report and Order, CC Docket 96-45, Order No. 97-157 (Order) implementing the Telecommunications Act of 1996.

2. The Order provides that a telecommunications carrier must offer Lifeline and Link Up services to qualified low-income consumers in order to be designated as an eligible telecommunications carrier. The Order also restructures the federal Lifeline and Link Up programs to be effective January 1, 1998.
3. On September 16, 1997, the North Dakota Public Service Commission (Commission) issued a Notice of Hearing concerning the adoption of state Lifeline and Link Up plans. The notice was published twice in weekly newspapers throughout the state and noticed a hearing for October 23, 1997, at the Commission's offices in the state capital.
4. The proposed state Lifeline and Link Up plans are essentially the same as the present plans, which were adopted in 1989 for U S WEST customers initially and later for Souris River (Minot Telephone) customers.
5. The hearing was held as noticed before Mr. Allen Hoberg, Administrative Law Judge, Office of Administrative Hearings.

Discussion

6. Lifeline is a retail local service for which a qualifying low-income consumer pays a reduced charge. The local telephone company is reimbursed for the amount of the discount from a federal universal service fund.
7. Link Up is a reduction in a telephone company's charge for linking up a customer to a telephone company's system. The local telephone company is reimbursed for the amount of the discount from a federal universal service fund.
8. Lifeline customers will receive \$3.50 per month in federal support automatically and will receive an additional \$1.75 per month in federal support if the state approves a reduction in the intrastate service portion of the Lifeline service rate paid by the customer.
9. A state has the option of providing state support and if it does, a Lifeline customer will receive additional federal support equal to one half of any support generated by a state, up to a maximum of \$7.00 in federal support.
10. The FCC Order provides that state Lifeline and Link Up plans must be based on income or factors directly related to income. North Dakota's proposed plans closely follow the federal plans and are based on income or factors related to income.
11. To qualify for federal support, the Commission must either file, or require eligible carriers to file, information with the federal fund Administrator which demonstrates that the carrier's Lifeline plan meets the criteria of the state. A carrier's plan must also satisfy the federal criteria as set forth in the Order and as codified in 47 CFR 54.400 to

54.417. The filing must state the number of qualifying low-income consumers and the amount of state assistance provided.

12. To meet these federal requirements the Commission proposed that a carrier file the necessary information with the Administrator as well as with the Commission when the carrier applies to be designated as an eligible telecommunications carrier. No carriers have objected to the proposal.

13. Witness Patrick Fahn outlined several changes to the Commission's proposed plan, which will directly incorporate wording from the FCC Order into the state plan. The proposed changes do not change the substance of the state plan as initially proposed.

14. Witness Ronald Knutson of the North Dakota Department of Human Services explained the operation of the present state Lifeline and Link Up programs. The Commission appreciates the willingness of the Department of Human Services to verify eligibility of participants for the present plans and is grateful for the Department's willingness to continue to verify the eligibility of participants for the proposed plans.

15. Witness Jan Sebby testified that all members of the Rural Telephone Company Group would offer Lifeline and Link Up services as required under the federal Order and the state plan if the carriers are designated as eligible telecommunications carriers.

16. Witness Bill Heaston of U S WEST described the extent of customer participation in the present U S WEST Lifeline and Link Up plans. He also noted that the plans would be modified as of January 1, 1998, if necessary, to comply with the proposed state plan and the federal requirements.

17. U S WEST recommended two changes to the proposed plan. The first would restrict participation in the plans to a head of household and the second would allow a customer to take advantage of the Link Up discount a second time at the same address if a disconnect is for financial reasons other than failure to pay for Lifeline services. The Commission fears that the proposed changes might not comply with the federal Lifeline requirements and rejects the proposed changes for the present.

18. The Commission recognizes that primary directory listings, including non-listed and non-published service, are listed as an essential service in N.D.C.C. 49-21-01.3. The Commission has not considered or come to any decision as to whether all essential services should be required services under the Lifeline program. The Commission recognizes that directory listings, both listed and unlisted, provide important consumer benefits and encourage use of the network. Therefore, the Commission encourages all providers of Lifeline and Link Up to offer customer directory listings as part of their offered services.

Findings of Fact


1. The Commission finds that the proposed state Lifeline and Link Up plans comply with the FCC Order and adopts the proposed plans, as modified, as North Dakota's Lifeline and Link Up plans.

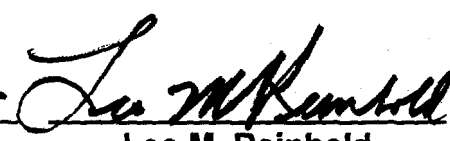
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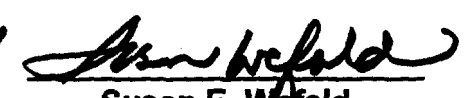
The Commission orders:

1. The Lifeline and Link Up plans, as modified and as attached hereto, are adopted as North Dakota's Lifeline and Link Up plans.
2. A carrier seeking designation, as an eligible telecommunications carrier must file the information required by the federal Order with the federal Administrator as well as with the Commission.

PUBLIC SERVICE COMMISSION


Bruce Hagen
Commissioner


Leo M. Reinbold
President


Susan E. Wefald
Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Public Service Commission
Universal Service - FCC
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Case No. PU-439-96-149

NORTH DAKOTA LIFELINE PLAN AND LINK UP PLAN

November 5, 1997

General

1. A carrier designated as an eligible telecommunications carrier by the North Dakota Public Service Commission (Commission) shall make Lifeline and Link Up service available to qualifying low-income consumers according to the North Dakota Lifeline Plan and Link Up Plan.
2. A qualifying low-income consumer is a North Dakota resident who is eligible to receive assistance under one of the four major economic assistance programs administered by the Department of Human Services: Public Assistance (formerly Aid to Families with Dependent Children), Food Stamps, Energy Assistance or Medicaid.

Link Up

1. Link Up means:
 - (1) A reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection at a consumer's principal place of residence. The reduction shall be half of the customary charge or \$30, whichever is less, and
 - (2) A deferred schedule for payment of the charges assessed for commencing service, for which the consumer does not pay interest. The interest charges not assessed to the consumer shall be for connection charges of up to \$200 that are deferred for a period not to exceed one year.

2. Charges assessed for commencing service include any charge that a carrier customarily assesses to connect a subscriber to the network. These charges do not include any permissible security deposit requirements.
3. A carrier's Link Up program shall allow a consumer to receive the benefit of the Link Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link Up assistance was provided previously.

Lifeline

1. Lifeline service means a retail local telecommunications offering for which qualifying low-income consumers pay reduced charges.
2. Lifeline service includes voice grade access to the public switched network, local usage, dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance, and toll limitation.
3. An eligible telecommunications carrier that charges the \$3.50 federal End-User Common Line charge to a qualified low-income customer shall waive the \$3.50 federal End-User Common Line charge and shall reduce the intrastate portion of the charge for monthly Lifeline service by an additional \$1.75.
4. An eligible telecommunications carrier that supplies support for Lifeline service in addition to that described above shall reduce the intrastate portion of the charge for Lifeline service by \$1.50 for every dollar of additional support supplied.
5. An eligible telecommunications carrier providing Lifeline service shall adjust its lowest tariffed (or otherwise generally available) residential rate for Lifeline service to qualified low-income customers by reducing the total amount due for monthly universal service by \$5.25.
6. A carrier that supplies additional support dollars for Lifeline service shall reduce the total amount due for monthly Lifeline service by an additional amount in a ratio of \$1.50 for every dollar of additional support supplied.
7. An eligible carrier shall offer toll limitation to a qualifying low-income consumer when that consumer subscribes to Lifeline service.
8. An eligible telecommunication carrier may not collect a service deposit in order to initiate Lifeline service if the qualifying low-income consumer voluntarily elects

toll blocking from the carrier, where available. If toll blocking is unavailable, the carrier may charge a service deposit.

9. An eligible telecommunications carrier may not disconnect Lifeline service for non-payment of toll charges unless the Commission grants a waiver of this requirement.
10. An eligible telecommunications carrier shall advertise the availability of Lifeline and Link Up services and the charges therefor using media of general distribution as established in the eligible carrier requirements.
11. The Department of Human Services will verify a customer's eligibility to participate in either Lifeline or Link Up.
12. Lifeline must be offered as a separately priced service and must include all of the features described above. The service must be specifically identified as a separate service in the carrier's filed price schedule. A carrier unable to provide toll limitation, access to enhanced 911 service, or single party service must apply for a waiver as provided for in the federal Order.
13. Any reduction in the intrastate portion of a carrier's Lifeline service rate, which will allow a low-income customer to take advantage of the federal offers of additional support, is herewith approved.
14. The Commission encourages all providers of Lifeline and Link Up to offer customer directory listings as part of their offered services.

PUBLIC SERVICE COMMISSION



Bruce Hagen
Commissioner



Leo M. Reinbold
President



Susan E. Wefald
Commissioner